



FOR IMMEDIATE RELEASE

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## **STATEMENT BY MAYOR JERRY SANDERS**

### **HIRING OF KELLER AS CITY MONITOR IS CRITICAL STEP FORWARD TOWARD PERMANENT FINANCIAL AND MANAGERIAL REFORM**

Today, the San Diego City Council unanimously approved my recommendation to hire Mr. Stanley Keller to provide our city with the independent monitoring services called out in the SEC's order as well as in the Kroll report. I applaud the City Council for approving my recommendation to hire Mr. Keller to serve in not one, but both of these functions. The Council has taken a critical step forward on the road to financial recovery for the City. This action is a huge milestone on that path and shows our dedication to continuing progress in our broader reform efforts.

Mr. Keller is one the country's pre-eminent experts on municipal disclosure, securities and governance law and a partner at the firm of Edwards Angell Palmer & Dodge LLP. He was selected to perform these functions following an extensive selection process.

Working cooperatively with the City Attorney and our outside legal counsel, my office cast a wide national net for qualified candidates. In all, 15 superbly well qualified candidates were considered and 3 were interviewed. After meeting with all of the candidates and considering their various qualifications, we were singularly unified on Stan Keller as our candidate. We were all extremely impressed with his qualifications, his outlook on the various issues before this city and with his professional demeanor.

Stan Keller is a perfect match for this role. He is a nationally recognized securities expert and has been on the forefront of municipal disclosure and financial best practices. He is also a known commodity to the SEC. From 2000 through 2003 – at the height of the debate that culminated in Sarbanes Oxley – Mr. Keller chaired the American Bar Association's Committee on Federal Regulation of Securities.

As chair of the National Association of Bond Lawyers, Mr. Keller played a leading role in the development of that association's best practices on municipal disclosure. He has been able to bring his firm's extensive public finance expertise to the benefits of public sector clients such as the City of Boston and the Commonwealth of Massachusetts.

Mr. Keller joins the City to help us with not one but two critical areas. The first is to help us comply with the SEC order. The second – and no less important – is to monitor our adoption and implementation of the remediation efforts called out in the Kroll report. Both of these areas are absolutely critical for the City.

Never before has our city been under such intense scrutiny – from government regulators, from the media and from our own citizens. That scrutiny is well deserved and I think that having a monitor – a qualified individual who tracks and reports our progress on the various Kroll reforms – will provide us with the steely resolve we need to do what's right.

We have been bringing our progress on the various Kroll reforms to the City Council at regular intervals. We have made great progress – but much remains to be done. In fact, the lion's share of our work is before us. By selecting Mr. Keller, we continue to advance that progress by introducing a gentleman who will, over time, help us measure our progress.

When I said I would adopt the Kroll remediations as my own, I said that the use of a monitor would cost the city approximately \$3 to \$4 million over a three year period. The contract approved by the Council today, for both the SEC and Kroll remediation monitoring, will provide for monthly billing schedule not to exceed \$4 million over a three year period.

The contract provides a series of safeguards that were not included in the Kroll contract. These include the submission of a budget within the first 45 days of the contract to the mayor, the City Council and the City Attorney; provides for monthly billing as well as our monthly review of those bills; and at least 4 appearances per year in front of the Council, more if requested.

By choosing Stan Keller to lead this work we are sending a strong message to the national public finance community that we take our obligations seriously and will fulfill these obligations in an open, honest and independently verifiable fashion.

Again, I want to thank the Council for approving the selection of Mr. Keller in his role as our City's new independent monitor.

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